

~~SECRET~~

WG-III M-3a

January 18, 1956

25X1A

EDAC Working Group III, Economic Defense Policy & Planning

MINUTES

2:30 p.m., Wednesday, January 4, 1956

Room 3025 New State

---

CORRECTION

Delete the last sentence in the next to last paragraph  
on page 2.

**\*NSC Declassification/Release Instructions On File\***

Distribution:

WG-III

~~SECRET~~

The MDAC member pointed out that when the assignment of this agenda item was given to Admiral DeLany by Mr. Monson, ICA-DD/M, it was believed that it came directly from ODM to ICA. In view of Dr. Morgan's statement regarding the State Department's responsibility for all foreign activities, it was the feeling of the Working Group that Admiral DeLany should check on the assignment of this project to ascertain whether it is an outdated assignment or whether it had been given to ICA through the State Department.

2. Problem of coordination and implementation of U.S. policy concerning Soviet economic penetration of underdeveloped countries.

Decision

The MDAC member would prepare a new draft paper on this subject which would be distributed next week for discussion at the next Working Group meeting.

Discussion

In response to the Chairman's request for the reactions of the members to the memorandum dated December 28 on the above subject, which was distributed at the last meeting, the ICA member felt that MDAC has broader aspects than is outlined in the memorandum and that MDAC should do a <sup>continuing</sup> survey of this subject and give it wide dissemination. The ODM member agreed in general with the State position but, at the same time, did not know what other organization could effectively do the job. The CIA member said that his agency's position was that they accept the paper basically, but he personally felt the paper was not helpful to the EC or EDAC in reaching a solution. The Treasury member felt that perhaps this problem could go to the Dodge Group. The Commerce member said they feel that an independent group is needed to deal with the problem and, of the existing groups, their choice would be OCB. They do feel, however, that considerably more could be done by this Working Group, particularly in exposing the problem in its magnitude and the policy questions which are posed. The Defense member said that he did not have a firm agency position as far as the paper was concerned, but they generally agree that the matter goes beyond the competence of WG-III. It was generally agreed among the members that no new group should be created to handle this problem. *opening*

The MDAC member said his office felt that the paper should take a more positive approach with respect to alternatives which EDAC might take. He added that we need to determine the current work on which this Working Group would rest its recommendation for policy changes and examine the extent to which this Group would want research done for it. He said that Admiral DeLany would like a document cleared in EDAC on agreement of appropriate Terms of Reference and passed to the appropriate other high-level groups in order to identify what EDAC can and will do.

Distribution:

WG-III

SECRET